

ALTERNATIVE FUELED VEHICLES



for

STATE GOVERNMENT AND FUEL PROVIDER FLEETS



A GUIDE

for meeting the requirements of the
Alternative Fuel Transportation Program [10 CFR Part 490]
ENERGY POLICY ACT OF 1992 (EPACT)



DISCLAIMER

This publication is intended as a guide for familiarizing interested parties with the requirements of the Department of Energy's Alternative Fuel Transportation Program, 10 CFR Part 490, adopted pursuant to sections 501, 507(o), 508, 511, 512 and 513 of the Energy Policy Act of 1992. It is not intended as a complete representation of the regulation nor the complete information necessary for compliance with the regulation. In the event of any discrepancy, real or perceived between the language of this publication and that of the regulation, the language of the regulation should be considered as governing.

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EXECUTIVE SUMMARY

Our increasing dependence on imported oil prompted Congress to pass the **Energy Policy Act (EPACT) of 1992**. The Act gave the U.S. Department of Energy (DOE) the means to expand research and development in the transportation sector, and to create programs for accelerating the introduction of **Alternative Fueled Vehicles (AFVs)**.

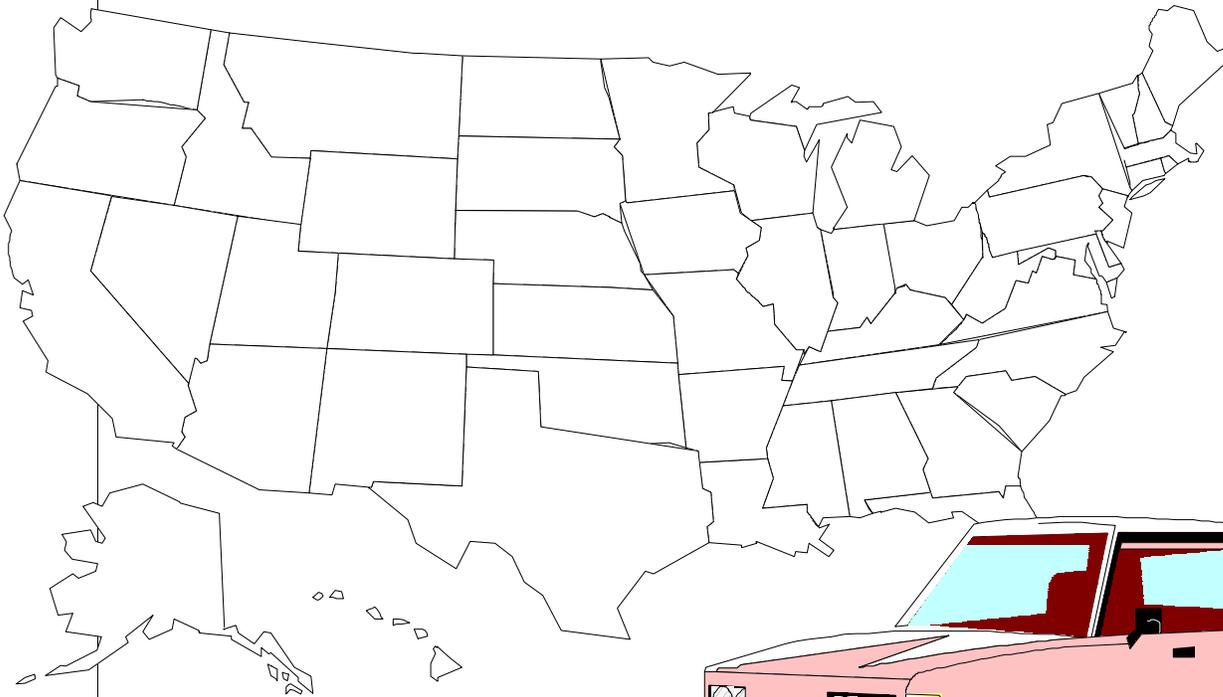
The Department of Energy's (DOE) **Alternative Fuel Transportation Program (10 CFR Part 490)** implements provisions in Sections 501, 507(o), and 508 of EPACT. These sections -

- Call for rulemakings requiring alternative fuel providers and State government fleets to gradually acquire AFVs in certain increasing percentages,
- Set forth a credit program to reward those who purchase or lease AFVs either earlier than required, or in greater numbers than required,
- Establish reporting procedures,
- Implement exemption provisions, and
- Set forth enforcement procedures and provisions.

This booklet, published by the Department of Energy, provides reader-friendly guidance to States and fuel providers on the main requirements of the **Alternative Fuel Transportation Program**.^{*} It is designed to help you to plot a step-by-step course through your compliance process. Most of your basic questions will be answered on the following pages. Questions that are not answered here may be directed through the mail, Internet addresses, and/or phone numbers listed in the Appendix.

^{*} Should questions arise between the language of this publication and that of the regulation, the language of the regulation governs (10 CFR Part 490).

STATE GOVERNMENT FLEETS



COVERAGE AND GENERAL REQUIREMENTS FOR STATES

1. How does a State government or State agency determine if it is covered?

The State government (or State agency) is **covered** if it owns, operates, leases or otherwise controls -

- 50 or more **LIGHT DUTY VEHICLES (LDVs)*** within the United States which are **NOT** on the list of **EXCLUDED** vehicles (see #6 for list of excluded vehicles),

AND

- 20 of *those* **LDVs** are used primarily within any MSA or CMSA (Consolidated / Metropolitan Statistical Area--see Appendix for list),

AND

- *Those same 20* **LDVs** are centrally fueled, or capable of being centrally fueled. (See #7 for guidelines on centrally fueled vehicles).

**(Please see the Appendix for definition of "Light Duty" Vehicles.)*

2. Must a covered State government comply with program (alternative fueled vehicle) acquisition* requirements as a whole State, or may it choose to comply as individual agencies?

DOE **prefers** that compliance be carried out by each State as a whole, but understands each State is unique, so is allowing each State to choose the way in which it will calculate its acquisition requirements. A **covered** State may choose to -

- Count **LDVs** to be acquired for all State fleets, including all of its agencies, and comply as one large fleet,

OR

- Allow State agency fleet operators to count vehicles, calculate, and comply, either individually, or in groups of two or more.

**(Please see the Appendix for definitions of "Alternative Fueled Vehicles" and "Acquired.")*

3. If a covered State chooses to allow its State agency fleet operators to comply separately, and an agency fleet does not meet size guidelines according to #1, is it exempt from acquisition requirements?

If a State opts to allow its agencies to **comply separately**, an agency that does not meet the size guidelines would not be covered, unless it is a participant in an optional **Alternative State Plan** (see section on optional Alternative State Plans).

4. Must agencies who join each other for calculation purposes make their acquisitions together as well?

NO, they may acquire their vehicles however they choose to, but they must file annual reports together, as one fleet.



5. What vehicles are counted in calculations?

Any **new*** LIGHT DUTY VEHICLE (LDV) acquired by a covered State or State agency is counted in determining AFV acquisition requirements (see #1).

****("New" means not previously under the control of the State, no matter when the vehicle was manufactured.)***

6. Which types of vehicles are NOT COUNTED when calculating the acquisition requirements?

EXCLUDED VEHICLES:

- Law enforcement vehicles;
- Emergency motor vehicles;
- Non-road vehicles;
- Vehicles which, under normal operations, are parked at personal residences when not in use;
- Vehicles used for motor vehicle manufacturer product evaluations or tests, including but not limited to,
 - Vehicles owned or held by a university for research purposes, or
 - Vehicles owned or held by a testing laboratory, or other such evaluation facility, solely for the purpose of evaluating the performance of such vehicle for engineering, research and development or quality control reasons; and
- Motor vehicles acquired and used for purposes that the Secretary of

Defense has certified to DOE must be exempt for national security reasons.

These vehicles may be used to satisfy the requirements although it is not required that they be used.

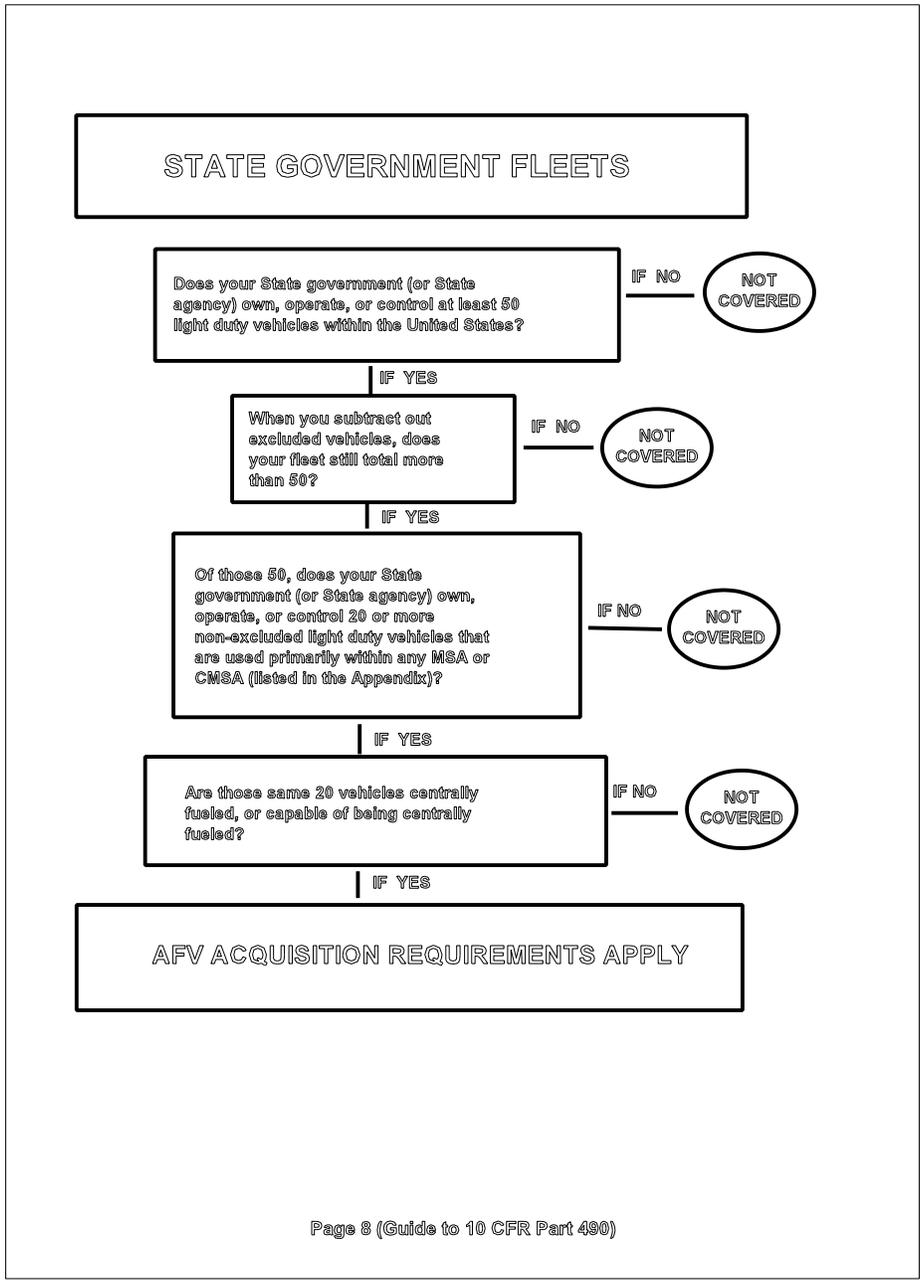


7. Which LIGHT DUTY VEHICLES (LDVs) are considered to be "Centrally Fueled or Capable of Being Centrally Fueled?"

- **LDVs** that are refueled at least 75% of the time at a location that is owned, operated, or controlled by any fleet, or under contract with that fleet for refueling purposes.

**FOR HELP IN DECIDING
WHETHER THE ALTERNATIVE
FUEL TRANSPORTATION
PROGRAM APPLIES TO
YOUR STATE GOVERNMENT
OR
STATE AGENCY
DOE HAS PROVIDED A
"DECISION TREE"
ON THE FOLLOWING PAGE**

Decision Tree on State Government fleets



8. What acquisition percentages apply to State fleets?

Of the **new LIGHT DUTY** motor vehicles (**LDVs**) acquired annually for State fleets or State agency fleets subject to this rule (see #1), the following percentages must be **ALTERNATIVE FUELED VEHICLES (AFVs)**:

- 10 percent for model year 1997
- 15 percent for model year 1998
- 25 percent for model year 1999
- 50 percent for model year 2000
- 75 percent for model year 2001, and thereafter.

For example, if a covered State or State agency acquires 100 **new LDVs** in 1997, 10 percent (or 10) of those new LDVs must be **AFVs**.

9. Exactly how does a State or State agency calculate fleet acquisition requirements?

Each State or State agency will:

1. Start with the number of **new LDVs** that will be acquired for a fleet, and
2. Subtract any **EXCLUDED** vehicles, then
3. Multiply the resulting number by the decimal equivalent of the acquisition percentage for that model year (i.e., 10% equals .10) to get the number of **AFVs** that must be acquired.

EXAMPLE:

If a fleet plans to acquire 105 **LDVs** in 1997, and 5 of those will be **EXCLUDED** vehicles, then -

1. Take the total of **new LDVs** to be acquired 105
2. Subtract **EXCLUDED** vehicles - 5
resulting in the number of **NON-EXCLUDED** vehicles that will be acquired = 100
3. Then multiply that figure by .10 (the decimal equivalent of 10%) x .10
resulting in the number of **new LIGHT DUTY AFVs** that the fleet must acquire in 1997 = 10

(Fractions should be rounded to the nearest whole number.)

10. What if a State or State agency becomes a fleet operator, according to guidelines (see #1) after model year 1997?

A State that becomes classified as a fleet operator meeting the size guidelines after model year 1997 must acquire **AFVs** starting the year **after** the State becomes a fleet operator.

FOR EXAMPLE:

- If a State or State agency becomes a fleet operator in 1998, it would need to meet the acquisition requirements beginning in 1999 (25%).

11. What forms of acquisition satisfy requirements?

You will satisfy acquisition requirements if you,

- Purchase or lease a **new LIGHT DUTY VEHICLE (LDV)** capable of operating on alternative fuels;

OR

- Purchase or lease any **AFTER-MARKET CONVERTED LDV not previously under the control of the State** (no matter when it was manufactured) capable of operating on alternative fuels. (Please see Appendix for definition of an “After-market converted vehicle”);

OR

- **Convert** a new LDV to operate on alternative fuels **within four months after it comes under the control of the State**;

OR

- Apply AFV credits, earned or acquired. (Please see section on “**Alternative Fueled Vehicle Credit Program**”).

12. May I count converted LDVs that I already own or control to satisfy acquisition requirements?

You **MAY NOT** count any vehicles that you already own or control **IF** they are converted **after the rule takes effect**,

BUT

Vehicles that were acquired **on or after October 24, 1992, and converted before the effective date of the rule** DO earn credits (see #1 under “Alternative Fueled Vehicle Credit Program”).

13. Which alternative fuels must an Alternative Fueled Vehicle (AFV) be able to operate on in order to satisfy acquisition requirements?

LIGHT DUTY AFVs (including dual-fuel, bi-fuel, and flexible-fuel vehicles) must be designed to operate on at least one of the following fuels in order to satisfy acquisition requirements:

- 100% methanol, denatured ethanol, and other alcohols;
- Mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels;
- Natural gas (compressed or liquefied);
- Liquefied petroleum gas (propane);
- Electricity (including electricity from solar energy);
- Hydrogen;
- Coal-derived liquid fuels; and
- Fuels (other than alcohol) derived from biological materials, including neat (100%) biodiesel.

NO OTHER FUELS ARE CURRENTLY DESIGNATED AS ALTERNATIVE FUELS.

RFG, Diesel, and Biodiesel blends do not qualify as alternative fuels under EFACT.

14. May a State or State agency acquire AFVs that are on the list of EXCLUDED vehicles to satisfy ACQUISITION requirements?

YES.

- You are **NOT** required to count vehicle types from the excluded list **in making your calculations**, and
- You **DO NOT** have to acquire vehicles from the excluded list,

BUT

You **MAY CHOOSE TO** acquire any **LIGHT DUTY** AFVs on the excluded list, *instead of* other AFVs, to satisfy percentage requirements (including to earn credits).

15. Are States required to obtain CONVERTED vehicles?

NO, but they may **CHOOSE** to acquire converted vehicles, according to guidelines listed in #11.

16. May a State or State agency acquire MEDIUM or HEAVY DUTY AFVs to satisfy acquisition requirements?

Since the program's aim is to put **LIGHT DUTY** AFVs on the road, you may purchase medium or heavy duty AFVs to earn credits **ONLY AFTER you have fulfilled your LIGHT DUTY AFV percentage requirement for that model year**. You may use any credits earned in this manner toward your percentage requirements in the **following year(s)**.

FOR EXAMPLE:

- If you fulfill your percentage requirements for 1997 by assuring that 10% of your annual purchases of LDVs are AFVs, then the acquisition of any medium or heavy duty AFVs **above and beyond that 10%** may earn credits toward acquisition requirements for MY 1998 and future model years.



(Medium and Heavy Duty Vehicles weigh more than 8,500 pounds gross vehicle weight rates.)

EXEMPTIONS FROM ACQUISITION REQUIREMENTS

(EXEMPTIONS WILL BE GRANTED ON A CASE-BY-CASE BASIS.)

1. What if suitable alternative fuels or AFVs are not available?

You may apply for an exemption from the acquisition requirements, with supporting documentation.

FOR EXAMPLE:

- If the only AFVs available, **that meet your operating needs**, are natural gas powered, and compressed natural gas is not available for refueling, an exemption may be granted.
-

2. What if additional costs associated with AFVs poses unreasonable financial hardship for a State?

You may apply for an exemption from the acquisition requirements, with supporting documentation.

3. How do I apply for an exemption?

Exemption requests should be submitted by letter to:

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

4. When may I apply for an exemption?

Requests for exemption may be submitted any time, as the need arises, and must be accompanied with supporting documentation.

5. How long will an exemption remain in effect?

Exemptions will be granted for one model year only, but may be renewed with subsequent requests and documentation.

6. How long must I wait to find out whether or not an exemption has been granted?

DOE must provide a written determination within 60 days of receipt of request.

7. May I appeal if my exemption is denied?

YES. You may file an appeal within 30 days of notification of the determination. Send your appeal to:

**Office of Hearings and Appeals
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

**GENERAL REPORTING
REQUIREMENTS FOR STATES**

1. How is compliance to be reported?

You must file an annual report with DOE for **each covered fleet**. Send your report to:

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

or any address that might be later identified in the Federal Register.

2. Will a form be provided for the annual report?

Forms will be available. Please obtain Information regarding such forms from contacts listed in the Appendix. If filing an electronic report, forms will not be required.

3. When does a State or State agency file an annual report?

Annual reports must be filed with DOE on or before December 31 after the close of each model year, beginning with Model Year 1997.

4. Who files an annual report?

Each covered fleet operator must file an annual report. If a State's agencies are calculating and complying separately, the State government may choose to -

- Collect all reports and submit them to DOE in one batch, or
- Permit each separate agency fleet to submit its report directly to DOE.

However a State chooses to submit annual fleet reports, all reports must be received by DOE by December 31, after the end of any model year.

5. What information is to be included in the annual report?

Annual reports will include the following information:

- Number of new LDVs **ACQUIRED** during the model year;
- Number of new **Light Duty AFVs** **REQUIRED** in the model year;
- Number of new **Light Duty AFVs** actually **ACQUIRED** during the model year;
- Number of AFV **CREDITS** applied against acquisition requirements;
- Number of **new Light Duty AFVs ACQUIRED** by municipal and private fleets during the model year **under an approved optional ALTERNATIVE STATE PLAN** (if applicable -- see following section on optional "Alternative State Plans").

For each **new LIGHT DUTY AFV** acquired you must list the following:

- Vehicle make and model;
- Model years;
- Vehicle identification number;
- Whether the vehicle is dedicated or dual-fueled (including flexible fueled); and
- The type of alternative fuel the vehicle is capable of operating on.

If credits are applied against vehicle acquisition requirements, a **Credit Activity Report** must be submitted along with the general annual report to DOE (form will be available, please request information from contacts in Appendix).

6. Where must annual reports be sent?

All reports must be marked "Annual Report," and sent to:

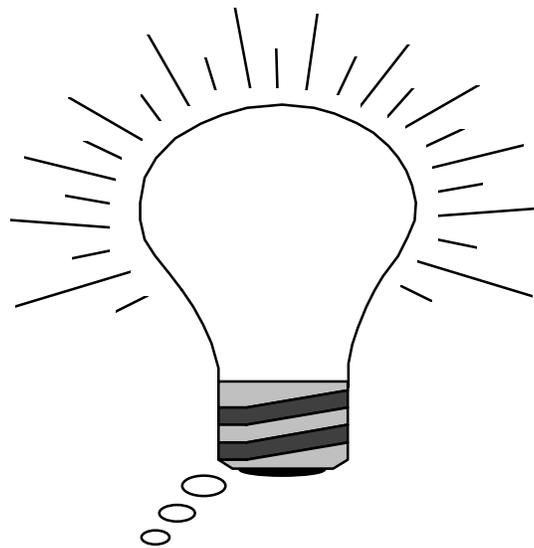
**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

DOE also plans to offer electronic filing via the Worldwide Web or modem in time for the MY1997 reports.

7. How long must records be kept?

Three years.

ALTERNATIVE STATE PLANS



ALTERNATIVE STATE PLANS

Under this option, States have an opportunity to be creative and formulate plans unique to their situation, involving the voluntary participation of local and private fleets.

Instead of meeting its acquisition requirements on its own, a State or State agency may formulate and seek approval for a "**LIGHT DUTY ALTERNATIVE FUELED VEHICLE PLAN**," under which local governments and private entities could join the State, *on a voluntary basis*, not only in fulfilling the acquisition requirements of this program, but in the coordination of community efforts toward introducing alternative fuels.

(Optional Alternative State plans must provide for the acquisition of the same number, or more, of Light Duty AFV acquisitions as would be otherwise required.)

1. What must be written into an optional ALTERNATIVE STATE PLAN?

Each optional **ALTERNATIVE STATE PLAN** must include:

- Certification by the Governor (or a person designated to represent the

Governor) that the plan meets the minimum acquisition requirements of the regulation as it applies to the State fleet;

- Identification of State, local, and private fleets that will participate in the plan;
- The number of new Alternative Fueled Vehicles to be acquired in each model year by each plan participant, either through conversion or acquisition;
- A written statement from each plan participant declaring its commitment;
- A statement of alternative measures to offset any failure, by a participant, to fulfill commitments;
- A provision by the State to monitor and verify implementation of the plan;
- A provision certifying that all acquisitions and conversions under the plan are voluntary and will conform with requirements of Section 247 of the Clean Air Act, and all applicable safety requirements;
- Identification of a State contact.

2. What types of AFV acquisitions will satisfy an optional ALTERNATIVE STATE PLAN?

ANY acquisitions or conversions of **LIGHT DUTY AFVs** may be included within the plan, **EVEN vehicles in the excluded categories**. This allows for excluded vehicles, such as police cars, to be part of the plan.

3. When should a State submit its optional ALTERNATIVE STATE PLAN?

For model year 1997, a State must submit its optional plan by 12 months after the date of publication of this rule.

Beginning with model year 1998, a State will need to submit its optional **ALTERNATIVE STATE PLAN** no later than June 1 prior to any model year.

4. Where does a State submit its optional ALTERNATIVE STATE PLAN?

An original and two copies should be sent to:

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

5. How are optional ALTERNATIVE STATE PLANS approved, and how long does it take?

DOE will review each plan and notify a State or State agency of the plan's approval or disapproval within 60 days of receipt of the plan.

6. How does a State proceed after submission of its optional ALTERNATIVE STATE PLAN?

Until an optional plan is approved, a State is subject to statutory acquisition requirements.

7. May a State ever modify an already-approved optional ALTERNATIVE STATE PLAN?

If a State finds it impossible to successfully implement its approved plan, it may submit (at any time) proposed modifications (with adequate justifications) to DOE for approval.

Until any modifications are approved, the State must comply with existing commitments, or the statutory acquisition requirements. Requests for modifications must be sent to:

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

8. What if an optional ALTERNATIVE STATE PLAN is not approved?

A State may revise and resubmit its plan to DOE within a reasonable time, but it must comply with existing commitments or statutory acquisition requirements until such time as the plan is approved.

9. Must States monitor implementation by optional ALTERNATIVE STATE PLAN participants?

YES. A State must monitor and verify the implementation of its optional plan. Reports on this implementation will need to be included in the annual report to DOE.

ALTERNATIVE FUEL PROVIDERS



COVERAGE AND GENERAL REQUIREMENTS FOR FUEL PROVIDERS

1. The Alternative Fuel Transportation Program applies only to ALTERNATIVE fuel providers. Are you (or is any "business unit" under your control) an ALTERNATIVE fuel provider?

A fuel provider (or any "affiliate" or "business unit" under its control) is an **alternative fuel provider IF** its "principal business" is -

- producing, storing, refining, processing, transporting, distributing, importing or selling (at wholesale or retail)

any **ALTERNATIVE FUEL** (other than electricity);

OR

- generating, transmitting, importing, or selling (at wholesale or retail)

electricity;

OR

if that fuel provider -

- produces, imports, or produces and imports (in combination),
 - an average of 50,000 barrels per day or more of petroleum;

AND

- 30% (A "substantial portion") or more of its **gross annual revenues** are derived from producing alternative fuels.

(Please see the Appendix for definitions of "business unit," "principal business," and "substantial portion.")

EXCEPTIONS:

Two types of alternative fuel providers (or affiliates or business units of that fuel provider) are **NOT COVERED** by acquisition requirements.

A fuel provider is **NOT** covered if -

- It is a fuel provider whose principal business is that of transforming alternative fuel into products that are **NOT** alternative fuels;

OR

- It is a fuel provider whose principal business is that of using alternative fuel as a feedstock or fuel in the manufacture of products that are **NOT** alternative fuels.

EXAMPLES:

- A company that burns natural gas to make heat for a manufacturing operation.
- A manufacturer of windshield washer fluid that blends an alternative fuel (methanol) in producing windshield washer fluid, which is not an alternative fuel.

2. If I am an “Alternative Fuel Provider,” according to #1, how do I determine whether I’m a “COVERED PERSON” who must acquire Alternative Fueled Vehicles (AFVs)?

You are a **covered person** if you own, operate, lease, or otherwise control -

- 50 or more **LIGHT DUTY VEHICLES (LDVs)*** within the United States which are **NOT** on the list of **EXCLUDED** vehicles (see #4 for list of excluded vehicles),

AND

- 20 of *those* **LDVs** are used primarily within any MSA or CMSA (Consolidated / Metropolitan Statistical Area--see Appendix for list),

AND

- *Those 20 same* **LDVs** are centrally fueled, or capable of being centrally fueled (see #5 for guidelines on “centrally fueled” vehicles).

****(Please see the Appendix for definition of “Alternative Fueled Vehicles,” and “Light Duty Vehicles.”)***

3. What vehicles are counted in calculations?

Any **new*** **LIGHT DUTY VEHICLE (LDV)** acquired by a covered person is counted in determining AFV acquisition requirements (see #2).

****(“New” meaning not previously under the control of the covered person, no matter when the vehicle was manufactured.)***

4. What types of LDVs are NOT COUNTED toward the acquisition requirements?

EXCLUDED VEHICLES:

Excluded vehicle types are:

- Law enforcement vehicles;
- Emergency motor vehicles;
- Non-road vehicles;
- Motor vehicles which under normal operations are parked at personal residences when not in use;
- Vehicles used for motor vehicle manufacturer product evaluations or tests, including but not limited to,
 - Vehicles owned or held by a university for research purposes, or
 - Vehicles owned or held by a testing laboratory, or other such evaluation facility, solely for the purpose of evaluating the performance of such vehicle for engineering, research and development or quality control reasons; and
- Motor vehicles acquired and used for purposes that the Secretary of Defense has certified to DOE must be exempt for national security reasons.

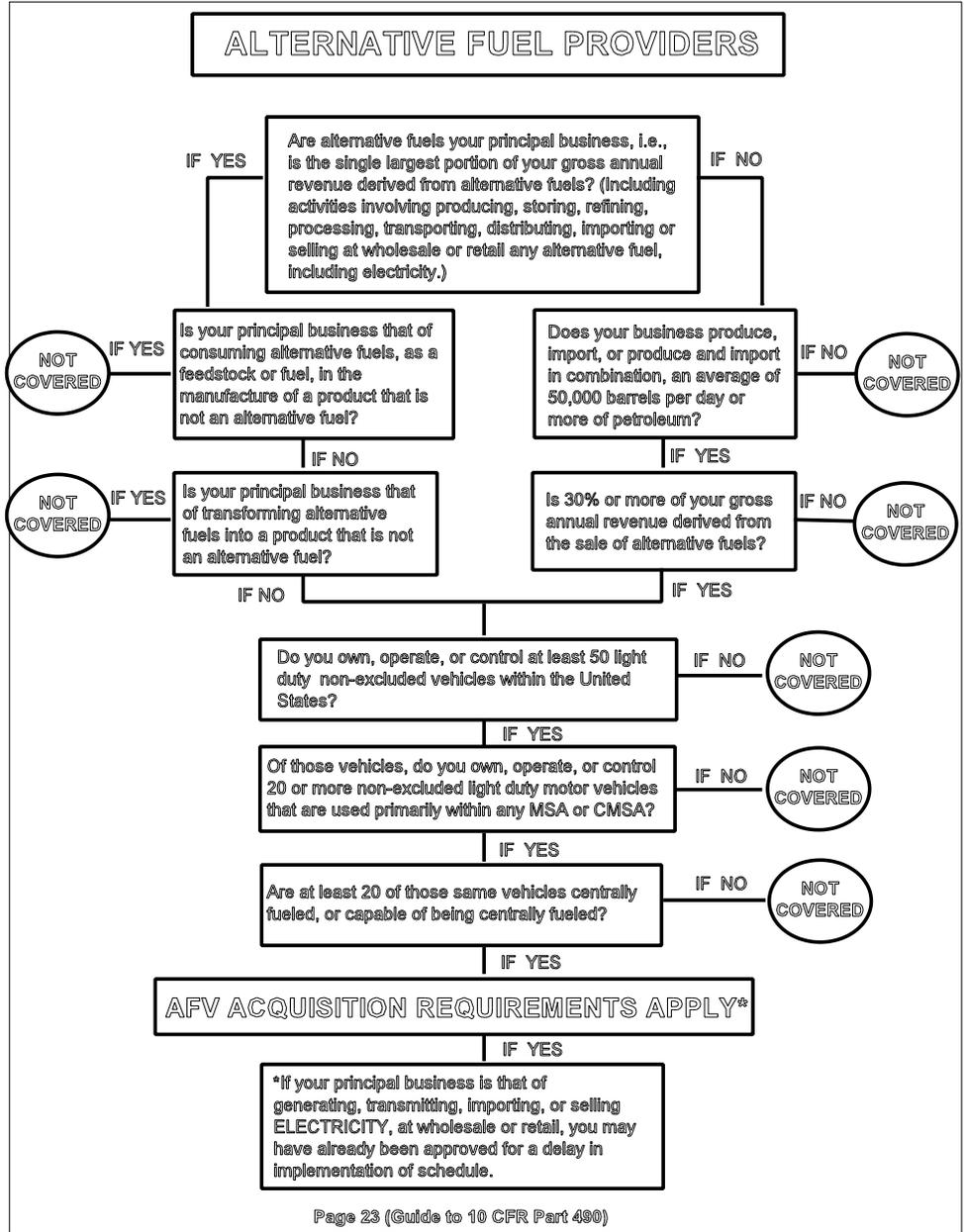


5. *What vehicles are considered to be "Centrally Fueled or Capable of Being Centrally Fueled?"*

- Vehicles that are refueled at least 75% of the time at a location that is owned, operated, or controlled by the fleet, or is under contract with the fleet for refueling purposes.
-

**FOR HELP IN
DECIDING WHETHER THE
ALTERNATIVE FUEL
TRANSPORTATION PROGRAM
APPLIES TO YOUR COMPANY
OR NOT, DOE HAS PROVIDED A
"DECISION TREE"
ON THE FOLLOWING PAGE**

Decision Tree for Alternative Fuel Providers



6. What acquisition percentages are required for covered alternative fuel providers?

Of the **new LIGHT DUTY** motor vehicles (**LDVs**) acquired annually for **covered** fuel providers, the following percentages must be **ALTERNATIVE FUELED VEHICLES (AFVs)**:

- 30 percent for model year 1997
- 50 percent for model year 1998
- 70 percent for model year 1999
- 90 percent for model year 2000, and thereafter.

This acquisition schedule applies to all **LDVs** fuel providers newly acquire for use within the United States.

7. How does a covered alternative fuel provider calculate fleet acquisition requirements?

A covered alternative fuel provider will:

1. Start with the number of **new LDVs** to be acquired for each fleet, and
2. Subtract any **EXCLUDED** vehicles, then
3. Multiply the resulting number by the decimal equivalent of the acquisition percentage for that model year.

For example, if an alternative fuel provider plans to acquire 105 **LDVs** in 1997, and 5 of these will be **EXCLUDED** vehicles, then

1. Take the total of NEW LDVs to be acquired 105
 2. subtract **EXCLUDED** vehicles - 5
- resulting in the number of **NON-EXCLUDED** vehicles that will be acquired = 100

3. multiply that number by .30 (the decimal equivalent of 30%) x .30
- resulting in the number of **new LIGHT DUTY AFVs** that must be acquired in 1997 = 30

(Fractions should be rounded to the nearest whole figure.)



8. Will Municipal gas and electric utilities be subject to any future municipal fleet acquisition requirements imposed by regulation?

NO. Gas and electric utilities subject to the alternative fuel provider requirements will not be included in any future municipal fleet program.

9. What is a "Holding Company?"

A Holding Company is a corporate identity for two or more operating companies, which it owns, that are called "affiliates."*

***(Please see the Appendix for definition of "affiliate.")**

10. How does a holding company which deals in the alternative fuels business comply with this program?

DOE considers a holding company to be the **Covered Person**.

The holding company (*as the covered person*) may choose to comply with its acquisition requirements as a single entity, or it may have any affiliates that are **substantially engaged** in the alternative fuels business comply separately.

(See the Appendix for definition of “substantially engaged.”)

11. What if an alternative fuel provider is newly classified as a Covered Person after Model Year 1997?

An alternative fuel provider that is newly classified as a **Covered Person** after model year 1997 must acquire **alternative fueled vehicles (AFVs)** starting the next model year with the percentage in effect for **that year**.

FOR EXAMPLE, if an alternative fuel provider becomes a covered person in MY1998, it would need to meet the acquisition requirements starting with MY1999.

12. What acquisitions satisfy program requirements?

A covered fuel provider will satisfy acquisition requirements if it -

- Purchases or leases a **new LIGHT DUTY VEHICLE (LDV)** capable of operating on alternative fuels;

OR

- Purchases or leases any **AFTER-MARKET CONVERTED LDV not previously under the covered person’s control** (no matter when it was manufactured) capable of operating on alternative fuels (see Appendix for definition of an “After-market converted vehicle”);

OR

- **Converts** a new LDV to operate on alternative fuels **within four months after it comes under the control of the fuel provider**;

OR

- Applies AFV Credits (Please see section on “**Alternative Fueled Vehicle Credits.**”)

13. May a covered alternative fuel provider count converted LDVs that it already owns or controls to satisfy acquisition requirements?

It **MAY NOT** count any vehicles it already owns or controls if they are converted **after the rule takes effect**,

BUT

Vehicles that were acquired on or after **October 24, 1992, and converted before the effective date of this rule DO earn credits** (see #1 under “Alternative Fueled Vehicle Credit Program.”)

14. Is a covered alternative fuel provider (covered person) required to obtain CONVERTED vehicles?

NO, but it may **CHOOSE** to acquire converted vehicles, according to guidelines in #12.

15. May a covered alternative fuel provider acquire vehicles that appear on the list of EXCLUDED vehicles to satisfy acquisition requirements?

YES.

- You are **NOT** required to count vehicle types from the excluded list ***in making your calculations***, and
- You **DO NOT** have to acquire vehicles from the excluded list,

BUT

You **MAY CHOOSE TO** acquire any **LIGHT DUTY** AFVs on the excluded list, *instead of* other AFVs, to satisfy percentage requirements (including to earn credits).

16. May a covered alternative fuel provider acquire MEDIUM or HEAVY DUTY AFVs to satisfy acquisition requirements?

Since the program's aim is to put **LIGHT DUTY** AFVs on the road, a covered alternative fuel provider may purchase medium or heavy duty AFVs to earn credits **ONLY AFTER it has fulfilled its LIGHT DUTY AFV percentage requirements for that model year.** It may then use any credits earned in this manner toward its percentage requirements for the **following year(s)**.

FOR EXAMPLE:

- If a covered alternative fuel provider fulfills its acquisition requirements for 1997 by acquiring **light duty alternative fueled vehicles** equaling 10% of its annual purchases of light duty vehicles (LDVs), then the acquisition of any medium or heavy duty AFVs **above and beyond that 10%** may earn credits toward

acquisition requirements for MY1998 and future model years.

(Medium and Heavy Duty Vehicles weigh more than 8,500 pounds gross vehicle weight rating.)



17. What alternative fuels must an alternative fueled vehicle (AFV) be able to operate on in order to satisfy acquisition requirements?

AFVs (including dual-fuel, bi-fuel, and flexible fuel-vehicles) must be designed to operate on one of the following fuels in order to satisfy acquisition requirements:

- 100% methanol, denatured ethanol, and other alcohols;
- Mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels;
- Natural gas (compressed or liquefied);
- Liquefied petroleum gas (propane);
- Electricity (including electricity from solar energy);
- Hydrogen;
- Coal-derived liquid fuels;
- Fuels (other than alcohol) derived from biological materials (including neat or (100%) biodiesel).

NO OTHER FUELS ARE CURRENTLY DESIGNATED AS ALTERNATIVE FUELS.

RFG, Diesel, and Biodiesel blends do not qualify as alternative fuels under EPACT.

18. Must a covered alternative fuel provider always use alternative fuels in its AFVs?

YES, unless it is operating in an area where the appropriate fuel is unavailable (*see "Exemptions"*).

**ELECTRIC VEHICLE
OPTION FOR ELECTRIC
UTILITIES**

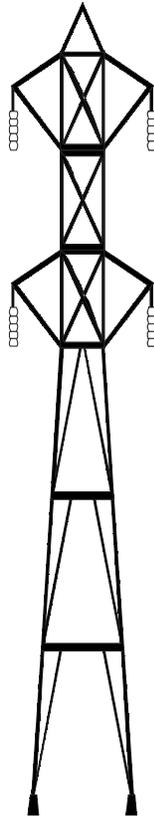
1. May an electric utility delay acquisitions?

If a fuel provider whose principal business is generating, transmitting, importing, or selling **electricity**, intends to comply with this regulation by acquiring ELECTRIC motor vehicles, it has the option of delaying scheduled acquisition until January 1, 1998, if it has notified DOE by January 1, 1996. DOE will handle late requests for schedule delays on a case-by-case basis.

2. What are the acquisition requirements for electric utilities that chose the delay option?

If an electric utility has notified DOE of its intent to acquire electric motor vehicles, the following percentages of new LDVs must be AFVs for the following time periods:

- 30 percent from January 1, 1998 to August 31, 1998
- 50 percent for model year 1999
- 70 percent for model year 2000
- 90 percent for model year 2001, and thereafter



Calculations for electric utility fleets should be made in the same way calculations are made for any covered alternative fuel provider fleet (see preceding section for instructions).

3. Is the electric utility option available for a combination utility?

YES. A utility that provides both natural gas and electricity is being allowed to choose to comply as two separate organizations.

The electric side of the utility may apply for the electric utility option, while the natural gas side follows the regular fuel provider acquisition schedule.

EXEMPTIONS FROM ACQUISITION REQUIREMENTS

(EXEMPTIONS WILL BE GRANTED ON A CASE-BY-CASE BASIS.)

1. What if Suitable Alternative Fuels or AFVs Are Not Available?

The alternative fuel provider may be entitled to an exemption from the acquisition requirements upon application to DOE.

FOR EXAMPLE:

- If the only AFVs currently available for meeting a particular operating function are natural gas powered, and compressed natural gas is not available for refueling the fuel provider's vehicles, an exemption may be granted (in whole or in part, depending upon the circumstances).

2. How are exemption requests to be submitted?

Exemption requests should be submitted by letter to:

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

3. When may a covered fuel provider submit an exemption request?

Requests for exemption may be submitted any time the need arises, and they must be accompanied with supporting documentation.

4. How long will an exemption remain in effect?

Exemptions will be granted for one model year only, but may be renewed with subsequent requests and documentation.

5. How long must a fuel provider wait to find out whether or not an exemption has been granted?

DOE will issue a written determination on whether the fuel provider's request for exemption has been granted or denied within 60 days after its receipt.

6. May a covered fuel provider (covered person) appeal a denial of its request for an exemption?

YES. If a covered fuel provider wishes to appeal a denial of exemption, it must file an

appeal, within 30 days of notification of denial, with the -

**Office of Hearings and Appeals
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

**GENERAL REPORTING REQUIREMENTS
FOR FUEL PROVIDERS**

1. How is compliance to be reported to DOE?

A covered fuel provider must file an annual report with:

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

On or before December 31 after the close of any model year, beginning with Model Year 1997.

(Forms will be available. Please request information from contacts listed in the Appendix.)

2. What information is to be included in the annual report?

Annual reports must include the following information:

- Number of new LDVs **ACQUIRED** during the model year;
- Number of new **Light Duty AFVs** **REQUIRED** in the model year;

- Number of new Light Duty **AFVs** actually **ACQUIRED** during the model year;
- Number of AFV **CREDITS** applied against acquisition requirements;

For each **new light duty AFV** acquired the Alternative Fuel Provider must list the following:

- Vehicle make and model;
- Model year;
- Vehicle identification number;
- Whether the vehicle is dedicated or dual-fuel; and
- Type of alternative fuel the vehicle is capable of operating on.

If credits are applied against vehicle acquisition requirements, then a **Credit Activity Report** must be submitted with the general annual report to DOE. (Form will be available. Please request information from contacts listed in the Appendix.)

3. Where must annual reports be sent?

All reports must be marked "Annual Report" and sent to:

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

4. How long must records be kept?

Three years.

ALTERNATIVE FUELED VEHICLE CREDIT PROGRAM

ALTERNATIVE FUELED VEHICLE CREDIT PROGRAM

The purpose of the **Credit Program** is to provide flexibility for State fleet operators and Alternative Fuel Providers without sacrificing the program's energy security goals.

1. How are credits earned under the Credit Program?

States and Fuel Providers may earn credits by -

- Acquiring AFVs in greater numbers than required in any model year,

OR

- Acquiring AFVs earlier than required.

DOE will allocate one credit for each AFV a covered State or fuel provider fleet acquires beyond acquisition requirements for any model year.

If an AFV is acquired by a State or fuel provider fleet **before** model year 1997, DOE will allocate one credit per AFV for each year the AFV is acquired before acquisition requirements apply,

BUT

DOE will allocate these early acquisition credits only for AFVs acquired **after October 24, 1992 (the date EPACT became law)**.

2. How will AFV credits count?

A credit counts as the acquisition of one qualified AFV.

3. May credits be transferred?

Credits may be transferred to:

- Any State fleet that must acquire alternative fuel vehicles,

OR

- Any fuel provider, if the State or fuel provider fleet which holds the credit provides certification that the credit represents a vehicle that operates solely on alternative fuel when operating in an area where the alternative fuel is available.

(If, in the future, DOE requires private and local fleets to acquire AFVs, credits may be transferred to them as well.)

Proof of credit transfer may be on a form provided by DOE, or otherwise in writing, and must include dated signatures of both parties involved. This proof should be received by DOE within 30 days of the transfer date at -

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

(Forms will be available. Please request information from contacts listed in the Appendix.)

4. What types of transfer are OK?

Credits may be bought or sold. In addition, a credit may be given away, or traded.

5. How must credit activities be reported?

A State or fuel provider fleet must submit a “Credit Activity” report, along with its annual report on compliance to:

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

by each December 31 after the close of the applicable model year.

(Forms will be available. Please request information from contacts listed in the Appendix.)

6. What must a Credit Activity Report include?

This report must include the following information:

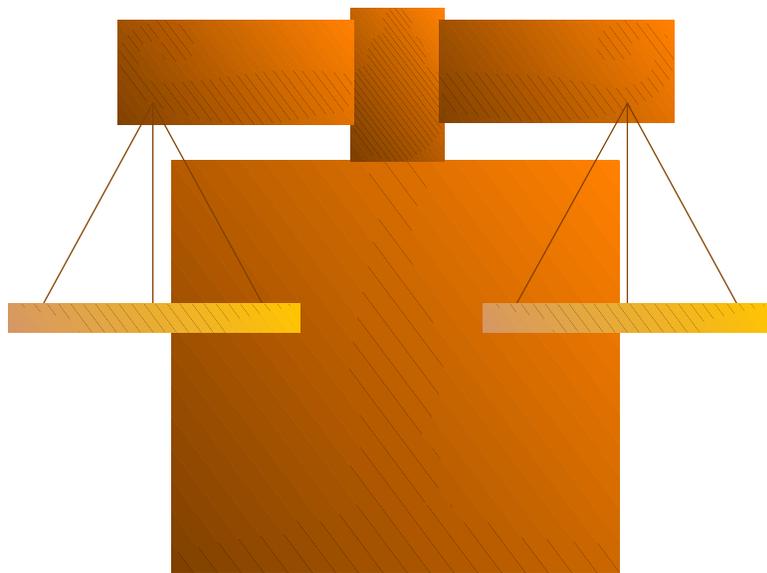
- For allocation of credits due to purchase or lease of vehicles, numbers of
 - AFVs acquired in excess of required acquisition number; and
 - AFVs acquired in model years before model year 1997;
- For purchase of AFV credits:
 - credit source; and
 - date of purchase;
- For sale of AFV credits:
 - credit purchaser; and
 - date of sale;

- For transfer of AFV credits:
 - credit source, and
 - date of transfer.
-

7. How will credits be accounted for?

DOE will establish a credit account for each fleet that obtains an AFV credit, and will send to each fleet an annual credit account balance statement after receipt of the Credit Activity Report.

INTERPRETIVE RULINGS and ENFORCEMENT



REQUESTS FOR INTERPRETIVE RULING

Any person who is, or may be, subject to this rule has the right to file a request for an interpretive ruling on a question with regard to how the regulations apply to particular facts and circumstances. Submit requests for interpretive rulings to -

**Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585**

ENFORCEMENT

1. Are These Requirements Enforceable?

YES. DOE has been granted enforcement authority by EPACT

2. If I violate the requirements of the program, what penalties might be incurred?

Penalties and Fines for violations are as follows:

- Whoever violates applicable sections of the rule will be subject to a civil penalty of not more than \$5,000 for each violation.
- Whoever willfully violates applicable sections of the rule will pay a criminal fine of not more than \$10,000 for each violation.
- Any person who knowingly and willfully violates applicable sections

of the rule, after having been subjected to a civil penalty for a prior violation, will pay a criminal fine of not more than \$50,000 for each violation.

3. Will I be given notice of DOE's intention to bring an enforcement action?

YES. Except for repeated violations or other unusual circumstances, DOE will give persons at least 90 days notice of its intent to bring an enforcement action. This will provide time for discussion of ways to settle any dispute.

Please see the rule (Subpart G: Investigations and Enforcement) for details on Assessments, Orders to Pay, Hearings, General or Special Orders, and Appeals.

APPENDIX

ADDRESSES RELATED TO COMPLIANCE

The addresses listed here are mainly for appeals of DOE decisions and general submissions regarding the Alternative Fuel Transportation Program. The next page provides additional means to obtain information and help.

To be used for appeals of interpretive rulings and denials of exemptions:

Office of Hearings and Appeals
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

To be used for all other submissions:

Alternative Fuel Transportation Program
Office of Energy Efficiency and Renewable Energy, EE-33
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

ADDITIONAL SOURCES OF INFORMATION ABOUT DOE's ALTERNATIVE FUEL TRANSPORTATION PROGRAM

In order to obtain a full copy of the rule, or any one of the many sources of useful information DOE provides, please feel free to contact any of the following for details:

"EREC"

EREC is the ENERGY EFFICIENCY AND RENEWABLE ENERGY CLEARINGHOUSE that responds to phone, mail, and electronic inquiries. Inquiries to EREC range from simple requests for information to complex technical questions and requests for energy-related business development assistance. All information is provided free of charge.

For EREC: call 1-800-DOE-EREC (363-3732).

TDD (Telecommunications Device for the Deaf): 1-800-273-2957

Computer Bulletin Board: 1-800-273-2955

Internet Electronic Mail: energyinfo@delphi.com

Fax: 1-703-893-0400

World Wide Web users on the Internet can also access EREC information through **"EREN," the Energy Efficiency and Renewable Energy Network**. EREN gives users a gateway to information and resources from national laboratories, and other organizations. With your World Wide Web browser software, use <http://www.eren.doe.gov>.

INFORMATION MAY ALSO BE OBTAINED FROM:

NATIONAL ALTERNATIVE FUELS HOTLINE AND DATA CENTER:

1-800-423-1DOE

<http://www.afdc.doe.gov>

The National Alternative Fuels Hotline and Data Center provide information on all issues related to alternative transportation fuels and is free of charge.

CLEAN CITIES HOTLINE:

1-800-CCITIES

OFFICE OF THE FEDERAL REGISTER:

800 N. Capitol St., N.W., Room 700

Washington, D.C., 20408

**METROPOLITAN STATISTICAL AREAS (MSAs) and
CONSOLIDATED METROPOLITAN STATISTICAL AREAS (CMSAs)
with 1980 Populations of 250,000 or more**

AREA	STATES ENCOMPASSED
Albany-Schenectady-Troy MSA	NY
Albuquerque MSA	NM
Allentown-Bethlehem-Easton MSA	PA
Appleton-Oshkosh-Neenah MSA	WI
Atlanta MSA	GA
Augusta-Aiken MSA	GA-SC
Austin-San Marcos MSA	TX
Bakersfield MSA	CA
Baton Rouge MSA	LA
Beaumont-Port Arthur MSA	TX
Binghamton MSA	NY
Birmingham MSA	AL
Boise City MSA	ID
Boston-Worcester-Lawrence CMSA	MA-NH-ME-CT
Buffalo-Niagara Falls MSA	NY
Canton-Massillon MSA	OH
Charleston MSA	SC
Charleston MSA	WV
Charlotte-Gastonia-Rock Hill MSA	NC-SC
Chattanooga MSA	TN-GA
Chicago-Gary-Kenosha CMSA	IL-IN-WI
Cincinnati-Hamilton CMSA	OH-KY-IN
Cleveland-Akron CMSA	OH
Colorado Springs MSA	CO
Columbia MSA	SC
Columbus MSA	OH
Columbus MSA	GA-AL
Corpus Christi MSA	TX
Dallas-Fort Worth CMSA	TX
Davenport-Moline-Rock Island MSA	IA-IL
Dayton-Springfield MSA	OH
Daytona Beach MSA	FL
Denver-Boulder-Greeley CMSA	CO
Des Moines MSA	IA
Detroit-Ann Arbor-Flint CMSA	MI
Duluth MSA	MN-WI
El Paso MSA	TX
Erie MSA	PA
Eugene-Springfield MSA	OR
Evansville-Henderson MSA	IN-KY

Fort Wayne MSA	IN
Fresno MSA	CA
Grand Rapids-Muskegon-Holland MSA	MI
Greensboro-Winston Salem-High Point MSA	NC
Greenville-Spartanburg-Anderson MSA	SC
Harrisburg-Lebanon-Carlisle MSA	PA
Hartford MSA	CT
Hickory-Morgantown MSA	NC
Honolulu MSA	HI
Houston-Galveston-Brazoria CMSA	TX
Huntington-Ashland MSA	WV-KY-OH
Indianapolis MSA	IN
Jackson MSA	MS
Jacksonville MSA	FL
Johnson City-Kingsport-Bristol MSA	TN-VA
Johnstown MSA	PA
Kalamazoo-Battle Creek MSA	MI
Kansas City MSA	MO-KS
Knoxville MSA	TN
Lakeland-Winter Haven MSA	FL
Lancaster MSA	PA
Lansing-East Lansing MSA	MI
Las Vegas MSA	NV-AZ
Lexington MSA	KY
Little Rock-N. Little Rock MSA	AR
Los Angeles-Riverside-Orange County CMSA	CA
Louisville MSA	KY-IN
Macon MSA	GA
Madison MSA	WI
McAllen-Edinburg-Mission MSA	TX
Melbourne-Titusville-Palm Bay MSA	FL
Memphis MSA	TN-AR-MS
Miami-Fort Lauderdale CMSA	FL
Milwaukee-Racine CMSA	WI
Minneapolis-St. Paul MSA	MN-WI
Mobile MSA	AL
Modesto MSA	CA
Montgomery MSA	AL
Nashville MSA	TN
New London-Norwich MSA	CT-RI
New Orleans MSA	LA
New York-N. New Jersey-Long Island CMSA	NY-NJ-CT-PA
Norfolk-Virginia Beach-Newport News MSA	VA-NC
Oklahoma City MSA	OK
Omaha MSA	NE-IA
Orlando MSA	FL
Pensacola MSA	FL
Peoria-Pekin MSA	IL

Philadelphia-Wilmington-Atlantic City CMSA	PA-NJ DE-MD
Phoenix-Mesa MSA	AZ
Pittsburgh MSA	PA
Portland-Salem CMSA	OR-WA
Providence-Fall River-Warwick MSA	RI-MA
Raleigh-Durham-Chapel Hill MSA	NC
Reading MSA	PA
Richmond-Petersburg MSA	VA
Rochester MSA	NY
Rockford MSA	IL
Sacramento-Yolo CMSA	CA
Saginaw-Bay City-Midland MSA	MI
St. Louis MSA	MO-IL
Salinas MSA	CA
Salt Lake City-Ogden MSA	UT
San Antonio MSA	TX
San Diego MSA	CA
San Francisco-Oakland-San Jose CMSA	CA
San Juan MSA	PR
Santa Barbara-Santa Maria-Lompoc MSA	CA
Scranton-Wilkes Barre-Hazleton MSA	PA
Seattle-Tacoma-Bremerton CMSA	WA
Shreveport-Bossier City MSA	LA
Spokane MSA	WA
Springfield MSA	MA
Stockton-Lodi MSA	CA
Syracuse MSA	NY
Tampa-St. Petersburg-Clearwater MSA	FL
Toledo MSA	OH
Tucson MSA	AZ
Tulsa MSA	OK
Utica-Rome MSA	NY
Washington-Baltimore CMSA	DC-MD-VA-WV
West Palm Beach-Boca Raton MSA	FL
Wichita MSA	KS
York MSA	PA
Youngstown-Warren MSA	OH

DEFINITIONS

Acquire means to take into possession or control, such as through purchase, lease, etc.

Act means the Energy Policy Act of 1992 (Pub. L. 102-486) and any amendments thereof.

Affiliate means a person that, directly or indirectly, controls, is controlled by, or is under common ownership or control of the subject person.

After-Market Converted Vehicle means an original equipment manufacturer vehicle that is reconfigured by a conversion company, which is not under contract to the original equipment manufacturer, to operate on an alternative fuel and whose conversion kit components are under warranty of the conversion company (includes both dedicated and dual-fuel vehicles).

Alternative Fuel means methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials (including neat biodiesel); and electricity (including electricity from solar energy).

Alternative Fuels Business means activities undertaken to derive revenue from -

-

- (1) Producing, storing, refining, processing, transporting, distributing, importing, or selling at wholesale or retail any alternative fuel other than electricity, or
- (2) Generating, transmitting, importing, or selling at wholesale or retail electricity.

Alternative Fueled Vehicle means a dedicated vehicle or a dual fueled vehicle (including a flexible fuel vehicle).

Assistant Secretary means the Assistant Secretary for Energy Efficiency and Renewable Energy or any other DOE official to whom the Assistant Secretary's duties under this part may be delegated by the Secretary.

Automobile means a 4-wheeled vehicle propelled by conventional fuel, or by alternative fuel, manufactured primarily for use on public streets, roads, and highways (except a vehicle operated only on a rail line), and rated at -

- (1) Not more than 6,000 pounds gross vehicle weight; or
- (2) More than 6,000, but less than 10,000 pounds gross vehicle weight, if the Secretary of Transportation has decided, by rule, that the vehicle meets the criteria in section 501(1) of the Motor Vehicle Information and Cost Savings Act, as amended, 49 U.S.C. 32901(a)(3).

Business Unit means a semi-autonomous major grouping of activities for administrative purposes and organizational structure within a business entity and that is controlled by or under control of the subject person.

Centrally Fueled / Capable of Being Centrally Fueled means a vehicle can be refueled at least 75 percent of its time at a location that is owned, operated, or controlled by the fleet or *Covered Person*, or is under contract with the fleet or *Covered Person* for refueling purposes.

Control

- When “control” is used in the context determining whether one person controls another or whether two persons are under common control, it means any one or a combination of the following:
 - A third person or firm has equity ownership of 51 percent or more in each of two firms; or
 - Two or more firms have common corporate officers, in whole or in substantial part, who are responsible for the day-to-day operation of the companies; or
 - One firm leases, operates, supervises, or in 51 percent or greater part owns equipment and/or facilities used by another person or firm, or has equity ownership of 51 percent or more of another firm.
- When “control” is used to refer to the management of vehicles, it means a person has the authority to decide who can operate a particular vehicle, and the purposes for which the vehicle can be operated.
- When “control” is used to refer to the management of people, it means a person has the authority to direct the activities of another person or employee in a precise situation, such as the workplace.
- At least 50 LDVs within the United States.

Covered Person means a person that owns, operates, leases, or otherwise controls -

- A fleet, as defined by this section, is a group of light duty motor vehicles that contains
 - (1) at least 20 LDVs that are centrally fueled or capable of being centrally fueled, and are used primarily within a metropolitan statistical area or a consolidated metropolitan statistical area, as established by the Bureau of the Census, with a 1980 population of 250,000 or more, or in a Federal Register notice; and
 - (2) at least 50 light duty motor vehicles within the United States.

Dealer Demonstration Vehicle means any vehicle that is operated by a motor vehicle dealer solely for the purpose of promoting motor vehicle sales, either on the sales lot or through other marketing or sales promotions, or for permitting potential purchasers to drive the vehicle for pre-purchase or pre-lease evaluation.

Dedicated Vehicle means --

- (1) An automobile that operates solely on alternative fuel; or
- (2) A motor vehicle, other than an automobile, that operates solely on alternative fuel.

Division means a major administrative unit of an enterprise comprising at least several enterprise units or constituting a complete integrated unit for a specific purpose and that is controlled by or under control of the subject person.

DOE means the Department of Energy.

Dual Fueled Vehicle means--

- (1) An automobile that meets the criteria for a dual fueled automobile as that term is defined in section 513(h)(1)(C) of the Motor Vehicle Information and Cost Savings Act, 49 U.S.C. 32901(a)(8); or
- (2) A motor vehicle, other than an automobile, that is capable of operating on alternative fuel and on gasoline or diesel fuel; or
- (3) A flexible fuel vehicle.

Electric-hybrid Vehicle means a vehicle primarily powered by an electric motor that draws current from rechargeable storage batteries, fuel cells or other sources of electric current and also relies on a non-electric source of power.

Electric Motor Vehicle means a motor vehicle primarily powered by an electric motor that draws current from rechargeable storage batteries, fuel cells, photovoltaic arrays, or other sources of electric current and may include an electric-hybrid vehicle.

Emergency Motor Vehicle means any vehicle that is legally authorized by a government authority to exceed the speed limit to transport people and equipment to and from situations in which speed is required to save lives or property, such as a rescue vehicle, fire truck or ambulance.

Fleet means, except as provided by section 490.3, a group of 20 or more light duty motor vehicles, used primarily in a metropolitan statistical area or consolidated metropolitan statistical area, as established by the Bureau of the Census as of December 31, 1992, with a 1980 Census population of more than 250,000 (listed in Appendix A to this Subpart), that are centrally fueled or capable

of being centrally fueled, and are owned, operated, leased, or otherwise controlled--

- (1) By a person who owns, operates, leases, or otherwise controls 50 or more light duty motor vehicles within the United States and its possessions and territories;
- (2) By any person who controls such person;
- (3) By any person controlled by such person; and
- (4) By any person under common control with such person.

Flexible Fuel Vehicle means any motor vehicle engineered and designed to be operated on any mixture of two or more different fuels.

Law Enforcement Motor Vehicle means any vehicle which is primarily operated by a civilian or military police officer or sheriff, or by personnel of the Federal Bureau of Investigation, the Drug Enforcement Administration, or other agencies of the Federal government, or by State highway patrols, municipal law enforcement, or other similar enforcement agencies, and which is used for the purpose of law enforcement activities including, but not limited to, chase, apprehension, surveillance, or patrol of people engaged in or potentially engaged in unlawful activities.

Lease means the use and control of a motor vehicle for transportation purposes pursuant to a rental contract or similar arrangement with a term of 120 days or more.

Light Duty Motor Vehicle means a light duty truck or light duty vehicle, as such terms are defined under section 216(7) of the Clean Air Act (42 U.S.C. §7550(7)), having a gross vehicle weight rating of 8,500 pounds or less, prior to any after-market conversion.

Model Year means the period from September 1 of the previous calendar year through August 31.

Motor Vehicle means a self-propelled vehicle, other than a non-road vehicle, designed for transporting persons or property on a street or highway.

Non-road Vehicle means a vehicle used principally for industrial, farming or commercial use, for rail transportation, at an airport, for marine purposes and other vehicles not licensed for on-road use.

Normal Requirements and Practices means the operating business practices and required conditions under which the principal business of the *Covered Person* operates.

Original Equipment Manufacturer Vehicle means a vehicle engineered, designed, produced and warranted by an original equipment manufacturer.

Person means any individual, partnership, corporation, voluntary association, joint stock company, business trust, Governmental entity, or other legal entity in the United States except United States Government entities.

Principal Business means the sales-related activity that produces the greatest revenue.

The Rule is 10 CFR Part 490 in the Code of Federal Regulations.

State means any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

Public Building means any closed structure owned, leased, or controlled by a State, or any instrumentality of a State.

Substantial Portion means that at least 30 percent of the annual gross revenue of a *Covered Person* is derived from the sale of alternative fuels.

Substantially Engaged means that a *Covered Person*, or affiliate, division, or other business unit thereof, regularly derives sales-related gross revenue from an alternative fuels business.

Used Primarily means that a majority of a vehicle's total annual miles are accumulated within a covered metropolitan or consolidated statistical area.

GLOSSARY OF ACRONYMS

AFV	Alternative Fueled Vehicle
MSA	Metropolitan Statistical Area
CMSA	Consolidated Metropolitan Statistical Area
DOE	U.S. Department of Energy
DOT	U.S. Department of Transportation
EE	Energy Efficiency and Renewable Energy
EPACT	Energy Policy Act of 1992
EV	Electric Vehicle
LDV	Light Duty Vehicle
OTT	Office of Transportation Technologies
RFG	Reformulated Gasoline

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COVERAGE AND GENERAL REQUIREMENTS FOR FUEL PROVIDERS (16)

1. The Alternative Fuel Transportation Program applies only to ALTERNATIVE fuel providers. Are you (or is any "business unit" under your control) an ALTERNATIVE fuel provider? (16)
2. If I am an "Alternative Fuel Provider," according to #1, how do I determine whether I'm a "COVERED PERSON" who must acquire Alternative Fueled Vehicles (AFVs)? (17)
3. What vehicles are counted in calculations? (17)
4. What types of LDVs are NOT COUNTED toward the acquisition requirements? (17)
5. What vehicles are considered to be "Centrally Fueled or Capable of Being Centrally Fueled? (18)
6. What acquisition percentages are required for covered alt. fuel providers? (20)
7. How does a covered alt. fuel provider calculate fleet acquisition requirements? (20)
8. Will Municipal gas and electric utilities be subject to any future municipal fleet acquisition requirements imposed by regulation? (20)
9. What is a "Holding Company?" (20)
10. How does a holding company which deals in the alternative fuels business comply with this program? (21)
11. What if an alternative fuel provider is newly classified as a Covered Person after Model Year 1997? (21)
12. What acquisitions satisfy program requirements? (21)
13. May a covered alternative fuel provider count converted LDVs that it already owns or controls to satisfy acquisition requirements? (21)
14. Is a covered alternative fuel provider (covered person) required to obtain CONVERTED vehicles? (21)
15. May a covered alternative fuel provider acquire vehicles that appear on the list of EXCLUDED vehicles to satisfy acquisition requirements? (22)
16. May a covered alternative fuel provider acquire MEDIUM or HEAVY DUTY AFVs to satisfy acquisition requirements? (22)
17. What alternative fuels must an alternative fueled vehicle (AFV) be able to operate on in order to satisfy acquisition requirements? (22)
18. Must a covered alternative fuel provider always use alternative fuels in its AFVs? (23)

COVERAGE AND GENERAL REQUIREMENTS FOR STATES (4)

1. How does a State government or State agency determine if it is covered? (4)
2. Must a covered State government comply with program (alternative fueled vehicle) acquisition requirements as a whole State, or may it choose to comply as individual agencies? (4)
3. If a covered State chooses to allow its State agency fleet operators to comply separately, and an agency fleet does not meet size guidelines according to #1, is it exempt from acquisition requirements? (4)
4. Must agencies who join each other for calculation purposes make their acquisitions together as well? (4)
5. What vehicles are counted in calculations? (5)
6. Which types of vehicles are NOT COUNTED when calculating the acquisition requirements (5)
7. Which LIGHT DUTY VEHICLES (LDVs) are considered to be "Centrally Fueled or Capable of Being Centrally Fueled?" (5)
8. What acquisition percentages apply to State fleets? (7)
9. Exactly how does a State or St. agency calculate fleet acquisition requirements? (7)

10. What if a State or State agency becomes a fleet operator, according to guidelines (see #1) after model year 1997? (7)
11. What forms of acquisition satisfy requirements? (7)
12. May I count converted LDVs that I already own or control to satisfy acquisition requirements? (8)
13. Which alternative fuels must an Alternative Fueled Vehicle (AFV) be able to operate on in order to satisfy acquisition requirements? (8)
14. May a State or State agency acquire AFVs that are on the list of EXCLUDED vehicles to satisfy ACQUISITION requirements? (9)
15. Are States required to obtain CONVERTED vehicles? (9)
16. May a State or State agency acquire MEDIUM or HEAVY DUTY AFVs to satisfy acquisition requirements? (9)

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Dedicated Vehicle (37, 39)

Division (39, 41)

DOE (2, 4, 5, 10, 11, 14, 17, 18, 21, 23-25, 27, 28, 30, 32, 33, 37, 39, 42)

DOT (42)

Dual Fueled Vehicle (37, 39)

EE (10, 11, 14, 24, 25, 27, 28, 30, 32, 42)

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